

Mr. James R. Carson
Ispat Inland Inc.
3210 Watling Street
East Chicago, Indiana 46312

Re: Minor Source Modification No.:
089-12491-00316

Dear Mr. Carson:

Ispat Inland Inc. (Ispat) applied for a Part 70 operating permit (089-6577-00316) on September 16, 1996 for an integrated steel mill. An application to evaluate NOx emission reduction credits from the shutdown of the 76" Hot Strip Mill at the source was received on January 11, 2000 and March 23, 2000. Pursuant to 326 IAC 2-7-10.5, the NOx emission reduction credits from the shutdown of the 76" Hot Strip Mill are approved for banking in accordance with 326 IAC 2-3-4.

The proposed Minor Source Modification approval will be incorporated into the pending Part 70 permit application pursuant to 326 IAC 2-7-10.5(l)(3). The source may begin operation upon issuance of the source modification approval.

This decision is subject to the Indiana Administrative Orders and Procedures Act - IC 4-21.5-3-5. If you have any questions on this matter call (800) 451-6027, press 0 and ask for Ms. Michele M. Williams or ask for extension 3-0863, or dial (317) 233-0863.

Sincerely,

Paul Dubenetzky, Chief
Permits Branch
Office of Air Management

Attachments
MMW

cc: File - Lake County
U.S. EPA, Region V
Air Compliance Section Inspector - Rick Massoels
IDEM Northwest Regional Office
Permit Tracking - Janet Mobley
Compliance Data Section - Karen Nowak
Administrative and Development - Janet Mobley
Technical Support and Modeling - Michele Boner

PART 70 MINOR SOURCE MODIFICATION OFFICE OF AIR MANAGEMENT

**Ispat Inland Inc.
3210 Watling Street
East Chicago, Indiana 46312**

(herein known as the Permittee) is hereby authorized to construct and operate subject to the conditions contained herein, the emission units described in Section A (Source Summary) of this approval.

This approval is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains the conditions and provisions specified in 326 IAC 2-7 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15 and IC 13-17.

Source Modification No.: 089-12491-00316	
Issued by: Paul Dubenetzky, Branch Chief Office of Air Management	Issuance Date:

SECTION A

SOURCE SUMMARY

This approval is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM). The information describing the emission units contained in conditions A.1 through A.2 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this approval pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)]

The Permittee owns and operates an oil refinery.

Responsible Official:	Ispat Inland Steel
Source Address:	3210 Watling Street, East Chicago, Indiana 46312
Mailing Address:	3210 Watling Street, East Chicago, Indiana 46312
SIC Code:	3312
County Location:	Lake
County Status:	Nonattainment for Ozone (VOC and NO _x), PM ₁₀ , and SO ₂ Attainment for PM, NO ₂ , and CO
Source Status:	Part 70 Permit Program Major Source, under PSD and Emission Offset Rules Major Source, Section 112 of the Clean Air Act

A.2 Emission Unit Shutdown Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

This stationary source shutdown the 76" Hot Strip Mill in December 1995.

SECTION D.1 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]

This stationary source shutdown the 76" Hot Strip Mill in December 1995.

D.1.1 Permanent Shutdown of Equipment

The 76" Hot Strip Mill shall be permanently shutdown and taken out of service to validate available emission reduction credits.

D.1.2 Nitrogen Oxide (NOx) Emission Reduction Credits

- (a) The NOx emission reduction credits from the shutdown of the 76" Hot Strip Mill is 353.9 tons. These emission reduction credits are allowed to be used under the preconstruction review program because these emissions have not been relied upon in the control strategy submitted to EPA to demonstrate attainment and maintenance of ambient air quality standards. The NOx ERCs are based on actual emissions from the most recent representative 2-year baseline period (1994 and 1995).
- (b) A portion of the NOx emission reduction credits from the shutdown of the 76" Hot Strip Mill, in the amount of 3.9 tons, was relied upon to offset the No. 6 Continuous Coating Line project (Construction Permit 089-10472-00316 and Significant Source Modification 089-11895-00316).
- (c) The remaining 350 tons of NOx emission reduction credits available from the shutdown of the 76" Hot Strip Mill has be transferred to Whiting Clean Energy (Construction Permit 089-11194-00449).
- (d) In accordance with 326 IAC 2-3-4, these emission reduction credits are valid:
 - (1) As long as the credits are relied upon by the end of December 2000, plus time for construction;
 - (2) Does not interfere with the attainment and maintenance of ambient air quality standards; and
 - (3) Does not violate any other condition set forth in 326 IAC 2-3.

Indiana Department of Environmental Management Office of Air Management

Technical Support Document (TSD) for Emission Reduction Credits

Source Background and Description

Source Name: Ispat Inland Inc.
Source Location: 3210 Watling Street, East Chicago, Indiana 46312
County: Lake
Construction Permit No.: CP-089-12491-00316
SIC Code: 3312
Permit Reviewer: Michele M. Williams

The Office of Air Management (OAM) has performed the following NO_x emission reduction credit review for the shutdown of the 76" Hot Strip Mill at the Ispat Inland facility located in East Chicago, Indiana. The 76" Hot Strip Mill stopped operations in December 1995. To determine the amount of available emission reduction credits, actual emissions from the most recent representative 2-year baseline period are used. The most recent available data from the 76" Hot Strip Mill at the Ispat Inland facility is 1994 and 1995. The following summary table represents the available emission reduction credits from the 76" Hot Strip Mill:

Equipment - Pollutant	1994 Actual Emissions (tons/year)	1995 Actual Emissions (tons/year)	Available NO _x Emission Reduction Credits (tons)
76" Hot Strip Mill	366.2	341.6	353.9

Ispat Inland is required under 326 IAC 2-6 to annually submit an emission statement of actual emissions from its source. The annual emission statements for 1994 and 1995 were used to quantify actual emissions from the plant. These emission reduction credits were also evaluated and validated by OAM under Construction Permit 089-10472-00316 issued on May 19, 1999. The emission calculation summaries are included in Attachment 1.

Transfer/Reapplication of NO_x Emission Reduction Credits

Ispat Inland originally relied upon 353.9 tons of NO_x emission reduction credits from the 76" Hot Strip Mill, along with NO_x emission reduction credits from the shutdown of the 100" Plate Mill and No. 4 Slabber Pits #19 through 45 to comply with the emission offset requirements for the construction and operation of the No. 6 Continuous Coating Line (Construction Permit 089-10472-00316). However, there are several other facilities that provide NO_x emission reduction credits including the No. 4 AC Station (6156 tons) and the Electric Arc Furnace (2.4 tons). Therefore, Ispat Inland requests that the NO_x emission reduction credits required for the No. 6 Continuous Coating Line be obtained from the following facilities:

Facility	Date of Shutdown	Available NOx Credits (tons)	NOx Credits Used to Offset No. 6 CCL (tons)	Remaining NOx Credits (tons)	NOx Credit Availability
76" Hot Strip Mill	12/1995	353.9	3.9	350	12/2000
100" Plate Mill	12/1995	122.7	122.7	0	12/2000
Electric Arc Furnace	12/1996	2.4	2.4	0	12/2001
No. 4 Slabber	9/1996	55.5	55.5	0	9/2001
No. 4 Slabber Scarfer	12/1996	1.8	1.8	0	12/2001
No. 4 AC Station	5/1998	6156	316	5840	5/2003
Remaining NOx Emission Reduction Credits (tons):				6190	

This change in the NOx emission reduction credits relied upon in Construction Permit 089-10472-00316 for the construction and operation of the No. 6 Continuous Coating Line is reflected in Significant Source Modification 089-11895-00316.

The remaining NOx emission reduction credits, as shown in the above table, is 6190 tons. Ispat Inland requests that a portion of these NOx emission reduction credits be transferred to Whiting Clean Energy (089-11194-00449) in the following manner:

Facility	Date of Shutdown	Available NOx Credits (tons)	NOx Credits Transferred to Whiting (tons)	Remaining NOx Credits (tons)	NOx Credit Availability
76" Hot Strip Mill	12/1995	350	350	0	12/2000
No. 4 AC Station	5/1998	5840	0	5840	5/2003
Remaining NOx Emission Reduction Credits (tons):				5840	

The use of the available NOx emission reduction credits from the 76" Hot Strip Mill is reflected in Minor Source Modification 089-12491-00316.